- Production Sharing Contracts signed for the deep water blocks prescribed time period for completion of MWP of each phase. Audit observed that the Company had not prescribed policy guidelines for completion of each activity in order to achieve the MWP targets.

R&D activity in hydrocarbon sector

4248. SHRI VIJAY J. DARDA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government is aware that world's energy consumption has increased by 84 percent since 1979 and will go up further by another 60 percent over next 20 years;

(b) if so, whether all the possible alternatives are being explored to have oil;

(c) if so, what are the details thereof; and

(d) what were the annual budgetary allocation towards such R&D inputs in hydrocarbon sector during the last three years?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) As per 'World Energy Outlook 2007' of International Energy Agency, the world's energy consumption has increased by 58% between 1980 and 2005 and is projected to further increase by 55% during the period 2005 to 2030.

(b) & (c) The Government is making the following efforts:

(i) Carving out more areas for exploration for offer under various rounds of New Exploration Licensing Policy (NELP).

(ii) Quicker development of discovered reserves for enabling commencement of production.

(iii) Use of stimulation techniques for increasing production from existing fields.

(iv) Application for Enhanced Oil Recovery (EOR)/Improved Oil Recovery (IOR) techniques for increasing recovery factor from existing fields.

(v) Arresting decline from ageing fields.

(vi) Acquisition of exploration acreages and oil producing properties overseas to bring in equity oil.

(vii) Substitution of oil in the transport sector through use of alternative fuels such as Bio-diesel, ethanol, blended-petrol etc.

(viii) Diversification of the sources for procurement of crude. The Oil Marketing Companies (OMCs) are now importing crude oil from about 25 countries either on term contract or through spot purchase.

The endeavor is to bridge the gap between demand and supply of petroleum products in India by intensifying exploratory efforts for oil and gas in the indian sedimentary basins and abroad through new Exploration Licensing Policy (NELP), which have been supplemented by other alternate sources of energy like Coal Bed Methane (CBM), Gas Hydrates, Coal Liquefaction, Ethanol and bio-diesel etc.

Government of India has already signed 26 contracts for CBM Blocks. The first CBM gas production from one CBM block in has started in July 2007. For the first time in the country, Gas hydrates smaples have been collected from offshore areas. Gas Hydrates present a great potential as a source of energy in the future.

Oil India Limited (OIL) is also currently undertaking a feasibility study for conversion of North-East Coal to liquid fuel.

(d) Annual R&D budgetary allocations in respect of upstream oil companies viz. ONGC and OIL, for the last 3 years were as under:

(Rs. in crores)

Name of Upsteam Oil PSU	2005-06	2006-07	2007-08
ONGC	155.00	170.29	148.15
OIL	16.48	16.65	35.63

Increase in gas price

4249. SHRI M.V. MYSURA REDDY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the Gas Authority of India Ltd. (GAIL) has increased the price of gas supplied to various gas-based plants in the State of Andhra Pradesh from US $ 3.3/ MMBTU to US $ 4.5/MMBTU;

(b) if so, what are the reasons for increasing the price of gas unilaterally;

(c) whether any consultations have been held with the stakeholders and Transmission Corporation of Andhra Pradesh (APTRANSCO);

(d) if so, what is the outcome of the consultations; and

(e) the details of plants that are opposing the price increase by GAIL?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) Natural gas from Ravva fields is being sold at US $ 3.3/MMBTU. However, natural gas from Ravva Satellite fields is being sold at US $ 4.3/MMBTU. The price of gas from Ravva Satellite fields was revised as per the provisions of Production Sharing Contract (PSC) between the Government of India and Ravva Consortium and the Gas Supply Contract between GAIL and Ravva Consortium.

(c) and (d) No, Sir. However, the customers were informed about the ongoing price negotiations with Ravva Consortium and the likely revised gas price. APTRANSCO was informed about the likely revision in the price.

(e) The following customers have not agreed to the increase in gas price: (1) Spectrum, (2) GVK Industries, (3) APGPCL, (4) Lanco Kondapalli.